

14/10/19

FYBCOM - AIC - 1

BI-NO-26
A-09

XYGADH

Repeater

Time: 3 hrs

Marks : 100

Instructions to Candidates:-

1. PLEASE CHECK WHETHER YOU HAVE GOT THE CORRECT & COMPLETE QUESTION PAPER with all pages printed. INFORM THE SUPERVISOR IMMEDIATELY IF THERE IS ANY ERROR.
2. ALL Questions are Compulsory carrying 20 marks each.
3. In all FIVE Questions are to be attempted i.e. Q 1 to Q 5 carrying 20 marks each.
4. Use of simple 10 or 12 digits non-programmable calculator is allowed.
5. Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.

Q 1A (10 marks) Fill in the blanks with the most appropriate word or words:-

(Reasons are not required) (Do Not Re-write the questions, Write all 10 sub-question nos. in same order 123456789101112, but Answer any 10 out of the following 12 sub-questions):-

1. Following is the example of accounting policy
 - a. Going Concern
 - b. Accrual
 - c. Treatment of Depreciation
 - d. Consistency
2. As per AS - 2, inventory covers _____
 - a. Live stock
 - b. Goods purchased for resale
 - c. Investment held as stock in trade
 - d. WIP in construction contracts
3. Inventory is valued at _____.
 - a. Cost only
 - b. Market Value only
 - c. Cost or Net Realisable Value whichever is less
 - d. Either cost or Market Value
4. Addition of a Computer lab to the building Rs.50,000/- is _____ expense
 - a. Revenue
 - b. Capital

XYG ADH

- c. Deferred Revenue
 - d. None of the above
5. Copy Right is _____.
- a. Tangible
 - b. Intangible
 - c. Fictitious Asset
 - d. All of the above
6. Sales ratio is used for allocation of _____.
- a. Depreciation
 - b. Bad debts
 - c. Income Tax
 - d. Office Salaries
7. Hire Purchase instalment consists of _____.
- a. Cash Price
 - b. Interest
 - c. Part payment of cash price plus interest
 - d. losses
8. Following expense is allocated in the ratio of number of employees
- a. Carriage outward
 - b. Welfare Expenses
 - c. Rent
 - d. Advertisement
9. Balance sheet gives information regarding _____.
- a. Operating efficiency of the firm
 - b. Result of operations
 - c. Financial position on a particular date
 - d. None of the above
10. Following is not covered by AS 9
- a. Dividend
 - b. Royalty
 - c. Lease Rent
 - d. Interest
11. Sale of scrap is shown on _____.
- a. Credit side of Trading Account

XyghADH

- b. Credit side of Manufacturing Account
 - c. Credit side of Profit & Loss Account
12. Hire purchase price is equal to _____.
- a. Cash price
 - b. Cash price + Interest
 - c. Cash Price – Interest
 - d. None of the above

AND

Q 1B (10 marks) State true or false (Reasons are not required) (Do Not Re-write the questions, Write all 10 sub-question nos. in same order 123456789101112, but Answer any 10 out of the following 12 sub-questions):-

1. According to AS 1 the purpose of accounting assumptions should be disclosed.
2. LIFO method is not recognised by AS 2.
3. Machinery spare parts are included in inventories.
4. Repair of furniture is a capital expenditure.
5. New tyres to replace old tyres of a car is a capital expenditure.
6. Wages paid for erection of machinery are debited to Profit & Loss Account.
7. Carriage on purchase of machinery is debited to Trading Account.
8. Lighting charges are allocated on the basis of Horse Power of machines in each department.
9. Cash price is included in hire purchase price.
10. Actual cash price method is known as Asset Accrual Method.
11. Contribution to PF is allocated on the basis of number of employees.
12. Down payment is the last instalment of the asset purchased on Hire Purchase basis.

Q. 2 (20 marks) Following is the Trial Balance of Rajan & Sons, a manufacturing concern as on 31st March, 2019.

Trial Balance as on 31st March, 2019

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Stock on 1 st April, 2018:		Sundry Creditors	3,26,000
Raw Material	4,20,000	Bills Payable	1,50,000
Work In Progress	1,90,000	Sale of Scrap	50,000
Finished Goods	2,30,000	Commission	9,000
Sundry Debtors	4,88,000	Provision for Doubtful Debts	33,000
Carriage Inward	30,000	Capital Account	18,00,000
Bills Receivable	3,00,000	Sales	35,40,000
Direct Wages	2,60,000	Bank Overdraft	20,400
Salaries	2,00,000		
Telephone Charges	20,000		
Repairs to Plant	22,000		
Repairs to Office Furniture	7,000		
Purchases of Raw Material	16,00,000		
Cash & Bank	2,40,000		
Plant & Machinery	14,00,000		
Rent (Factory – $\frac{3}{4}$)	1,00,000		
Lighting of Factory	1,44,000		
Office General Expenses	31,400		
Insurance (Office)	26,000		
Office Furniture	2,20,000		
Total	59,28,400	Total	59,28,400

Additional Information:

- Insurance amounting to Rs.2,000 pertaining to April-June, 2019 paid in 2018-19.
- Stock on 31st March, 2019 were: Raw Materials Rs.3,24,000; Finished Goods Rs.3,40,000 and Work-In-Progress Rs.1,40,000.
- Provision for Doubtful Debts should be maintained at 5 % of Debtors.
- Salaries and Wages for March, 2019 Rs.16,000 and Rs.24,000 respectively were paid on 2nd April, 2019.

XYGADH

5. Plant is to be depreciated by 10 % p.a. and Office Furniture by 10 % p.a.

You are required to prepare:

1. Manufacturing Account, Trading Account and Profit & Loss Account for the year ended 31st March, 2019.
2. Balance Sheet as at 31st March, 2019.

OR

Q. 2 (20 marks) Following is the Trial Balance of Viraj & Sons, a manufacturing concern as on 31st March, 2019.

Trial Balance as on 31st March, 2019

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
<u>Stock on 1st April, 2018:</u>		Sundry Creditors	3,20,000
Raw Material	2,00,000	Bills Payable	1,50,000
Work In Progress	1,80,000	Sale of Scrap	50,000
Finished Goods	2,40,000	Commission	9,000
Sundry Debtors	4,00,000	RDD	30,000
Carriage Inward	25,000	Capital Account	18,00,000
Bills Receivable	2,00,000	Sales	29,30,000
Direct Wages	2,70,000	Bank Overdraft	16,400
Salaries	2,00,000		
Telephone Charges	20,000		
Repairs to Plant	22,000		
Repairs to Office Furniture	7,000		
Purchases of Raw Material	16,00,000		
Cash & Bank	2,40,000		
Plant & Machinery	12,00,000		
Rent (Factory – ¼)	1,00,000		
Lighting of Factory	1,44,000		
Office General Expenses	31,400		
Insurance (Office)	26,000		
Office Furniture	2,00,000		
Total	53,05,400	Total	53,05,400

XYGADH

Additional Information:

1. Insurance amounting to Rs.3,000 pertaining to April-June, 2019 paid in 2018-19.
2. Stock on 31st March, 2019 were: Raw Materials Rs.3,24,000; Finished Goods Rs.3,40,000 and Work-In-Progress Rs.1,40,000.
3. Provision for Doubtful Debts should be maintained at 5 % of Debtors.
4. Salaries and Wages for March, 2019 Rs.15,000 and Rs.20,000 respectively were paid on 2nd April, 2019.
5. Plant is to be depreciated by 10 % p.a. and Office Furniture by 10 % p.a.
6. Finished Goods worth Rs.2,000 consumed by proprietor for personal use during 2018-19.

You are required to prepare:

1. Manufacturing Account, Trading Account and Profit & Loss Account for the year ended 31st March, 2019.
2. Balance Sheet as at 31st March, 2019.

Q. 3 (20 marks) Following is an extract of receipt and issue of material in a manufacturing concern during the month of August, 2019

Date	Particulars	Units	Rate per unit (Rs.)
01/08/2019	Opening Balance	1,000	200
03/08/2019	Issue	140	210
04/08/2019	Issue	200	230
08/08/2019	Issue	160	215
13/08/2019	Purchase	400	190
14/08/2019	Issue	360	230
20/08/2019	Purchase	480	190
24/08/2019	Issue	600	240
25/08/2019	Purchase	640	190
26/08/2019	Issue	230	210
27/08/2019	Purchase	35	190
28/08/2019	Purchase	200	190

Issues are to be priced on the principle of First in First out. The stock verifier of the factory had found a shortage of 20 units on the 22nd August, 2019 and left a note accordingly

You are required to prepare "Store Ledger Card for Material"

OR

XYGADH

Q. 3 (20 marks) Following is an extract of receipt and issue of material in a manufacturing concern during the month of Sept, 2019

Date	Particulars	Units	Rate per unit (Rs.)
01/09/2019	Opening Balance	500	100
03/09/2019	Issue	70	110
04/09/2019	Issue	100	130
08/09/2019	Issue	80	115
13/09/2019	Purchase	170	100
14/09/2019	Issue	150	130
20/09/2019	Purchase	230	100
24/09/2019	Issue	250	140
25/09/2019	Purchase	300	100
26/09/2019	Issue	100	190
27/09/2019	Purchase	30	190
28/09/2019	Purchase	150	100

Issues are to be priced on the principle of Weighted Average Method.

You are required to prepare "Store Ledger Card for Material" as per Weighted Average Method

Q. 4 (20 marks) Following figures are extracted from the books of Nazir Departmental Stores, Thane for the year ended 31st March, 2019.

Particulars	Department P (Rs.)	Department Q (Rs.)	Department R (Rs.)
Purchases	3,60,000	6,50,000	14,20,000
Return Outward	40,000	20,000	60,000
Sales	12,20,000	24,40,000	36,60,000
Return Inward	20,000	40,000	60,000
D. Wages	80,000	1,20,000	1,60,000
Stock on 01/04/2018	1,40,000	90,000	2,00,000
Stock on 31/03/2019	1,60,000	1,00,000	80,000

1. During the year some transfers have taken place, informed by the stores which are as below

Goods costing transferred from P Dept to Q Dept Rs.20,000 and to R Dept Rs.40,000

Xy9ADH

Goods costing transferred from Q Dept to R Dept Rs.20,000 and to P Dept Rs.10,000

Goods costing transferred from R Dept to P Dept Rs.14,000 and to Q Dept Rs.18,000

2. Following expenses are to be allocated equally.

Telephone charges Rs.6,000, Salaries Rs.12,000 and Office Exp Rs.18,000.

3. Rent Rs.48,000 is to be divided as P Dept $\frac{1}{4}$, Q Dept $\frac{1}{4}$, and R Dept $\frac{1}{2}$.

4. Other expenses:

Discount allowed Rs.36,000, Legal Exp Rs.48,000, Bad Debts Rs.30,000, Income Tax Rs.1,26,000 and Insurance of Goods Rs.13,600.

You are required to prepare: Departmental Trading and Profit & Loss A/c for the year ended 31st March, 2019 in columnar form allocating the above expenses in the best possible manner indicating the basis of allocation.

OR

Q. 4 (20 marks) The Thane Trading Company purchased Motor Car from the Mumbai Motor Co. On a Hire Purchase agreement on 1st April, 2015; paying cash Rs.1,00,000 and agree to pay further three instalments of Rs.1,00,000 each on 31st March each year. The cash price of the car is Rs.3,72,500 and the Mumbai Motor Company charges interest @ 5 % p.a. The Thane Trading Company writes off 10 % p.a. as depreciation on the Reducing Instalment System.

You are required to prepare the following ledger accounts in the books of Purchaser

1. Vendor's Account
2. Motor Car Account
3. Interest Account
4. Working Note of principal and interest calculation.

Q. 5A (10 marks) Briefly explain Accounting Standard 1 Disclosure of Accounting Policies

AND

Q. 5B (10 marks) Explain in detail accounting treatment to be followed in the books of Vendors under Hire Purchase System

OR

Q. 5 (20 marks) Write short notes on (Any Four)

1. Down Payment
2. Accrual Concept
3. Net Realisable Value
4. Hire Purchase Price
5. Revenue Vs Capital
6. Accounting Standard 9

END
